

# PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chairman*

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## MEMORANDUM

TO: Winchester Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: September 27, 2017

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on January 1 of each fiscal year. The schedule is effective in FY18 (since the amount under the prior schedule was maintained in FY18) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.25% to 7.0%.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446, extension 921.

Enc.



**Winchester Retirement System  
January 1, 2017 Actuarial Valuation**

Total Cost Increasing 7.15% to FY28 with Final Amortization Payment in FY29

<u>Fiscal Year</u>	<u>Normal Cost</u>	<u>Net 3(8)(c)</u>	<u>Amort. of UAL</u>	<u>Total Cost</u>	<u>Unfunded Act. Liab.</u>	<u>Increase in Total Cost</u>
2018	2,070,299	100,000	2,345,597	4,515,896	30,754,787	
2019	2,163,463	100,000	2,575,320	4,838,783	30,479,929	7.15%
2020	2,260,818	100,000	2,823,937	5,184,756	29,948,068	7.15%
2021	2,362,555	100,000	3,092,910	5,555,466	29,121,658	7.15%
2022	2,468,870	100,000	3,383,811	5,952,681	27,959,012	7.15%
2023	2,579,969	100,000	3,698,329	6,378,298	26,413,898	7.15%
2024	2,696,068	100,000	4,038,278	6,834,346	24,435,101	7.15%
2025	2,817,391	100,000	4,405,611	7,323,002	21,965,940	7.15%
2026	2,944,174	100,000	4,802,423	7,846,597	18,943,748	7.15%
2027	3,076,661	100,000	5,230,967	8,407,628	15,299,303	7.15%
2028	3,215,111	100,000	5,693,663	9,008,774	10,956,203	7.15%
2029	3,359,791	100,000	6,027,353	9,487,144	5,830,197	5.31%
2030	3,510,982	100,000		3,610,982	0	-61.94%

Appropriation payments assumed to be made January 1 of each fiscal year.

FY18 Normal Cost includes assumed expenses of \$430,000 and is assumed to increase 4.5% per year

FY18 appropriation has maintained at the same level as the current schedule